

**D
C
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S**



**Defense Criminal
Investigative Service**

“Protecting America’s Warfighters”



DCIS

- DCIS was established by the Secretary of Defense in 1981.
- DCIS is the law enforcement arm of the OIG, DoD.
- Approximately 400 agents/admin support staff
- 45 offices CONUS, 1 office in Hawaii, 1 office in Germany

DCIS OFFICE LOCATIONS

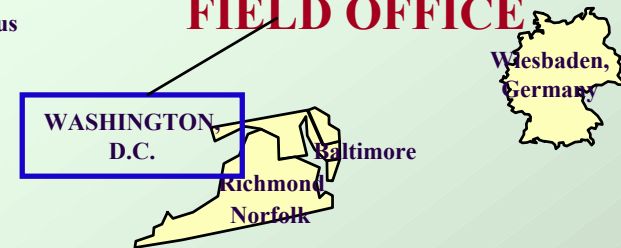
WESTERN FIELD OFFICE



NORTHEAST FIELD OFFICE



MID-ATLANTIC FIELD OFFICE



CENTRAL FIELD OFFICE



SOUTHEAST FIELD OFFICE



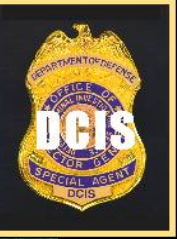
SOUTHWEST FIELD OFFICE





Mission and Jurisdiction

- **In general, Offices of the Inspector General are responsible for investigating waste, fraud and abuse affecting their respective department**
- **To enhance the program integrity and operational efficiency of DoD through the detection and investigation of fraud in DoD programs**
- **To conduct overt and covert investigations of suspected criminal violations affecting DoD programs and operations**



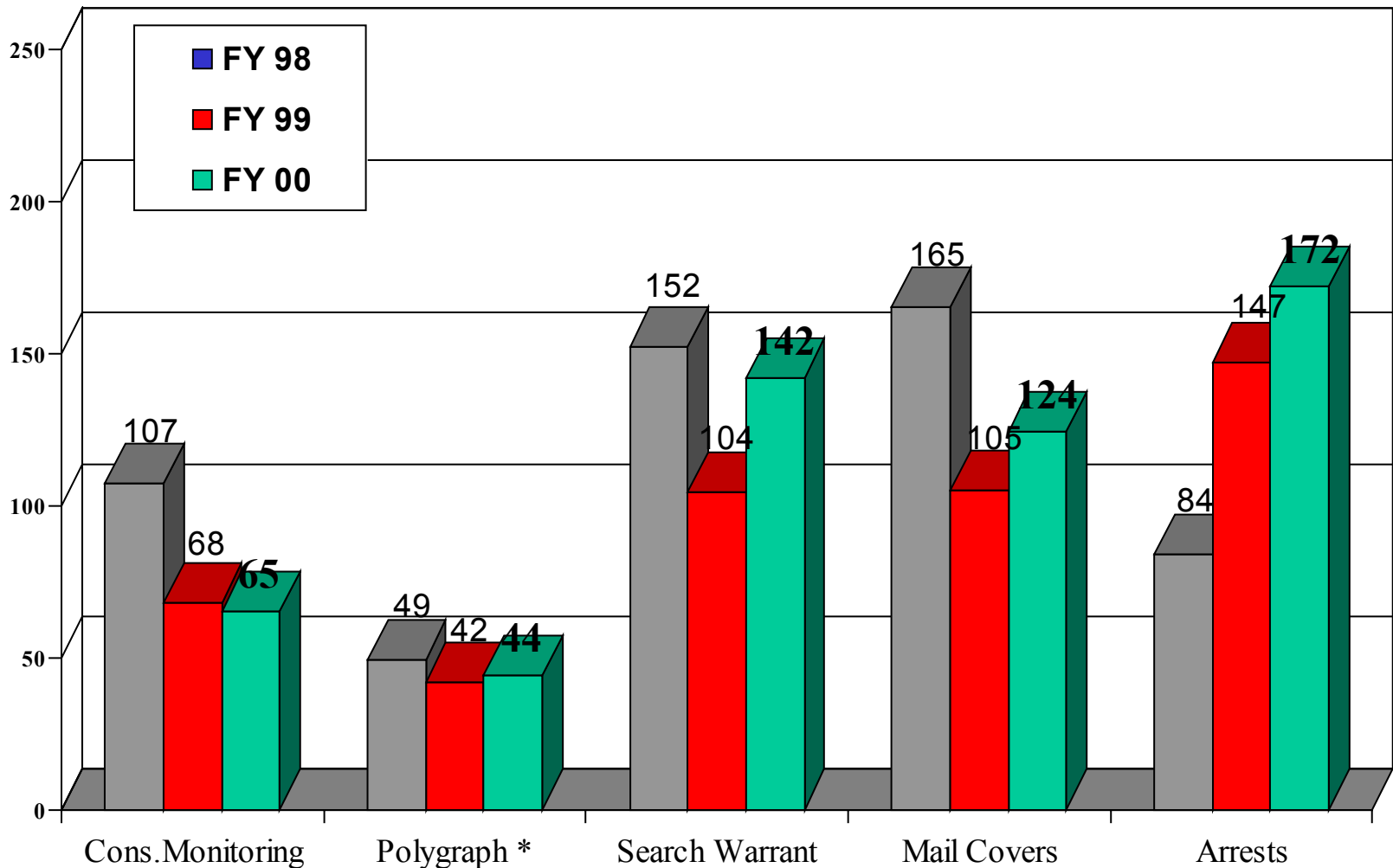
Special Agent Authority



- **ACCESS TO DoD RECORDS AND DOCUMENTS**
- **STATUTORY AUTHORITY TO APPLY FOR AND EXECUTE SEARCH WARRANTS**
- **AUTHORITY TO APPREHEND MILITARY PERSONNEL**
- **STATUTORY ARREST AUTHORITY**

Investigative Techniques Utilized For DCIS Cases By Fiscal Year

As of 9/30/00



* Includes exams conducted by other agencies



DCIS INVESTIGATIONS

(AT A GLANCE)

**From 1981 through Sept. 2000, DCIS has
been responsible for:**

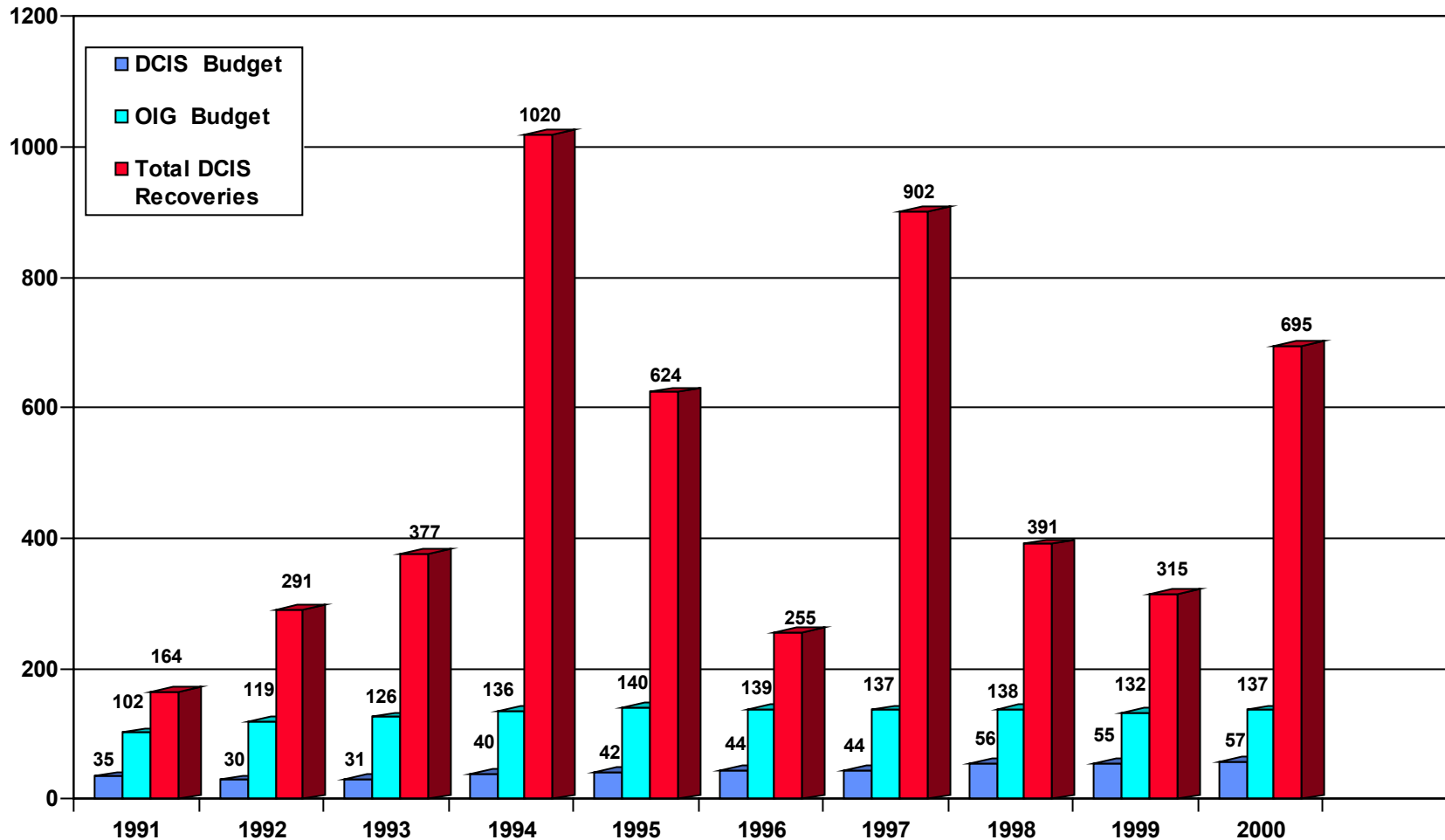
5,547 CRIMINAL CHARGES

4,553 CRIMINAL CONVICTIONS

\$5.78 BILLION IN CRIMINAL, CIVIL &

ADMIN. FINES AND RECOVERIES

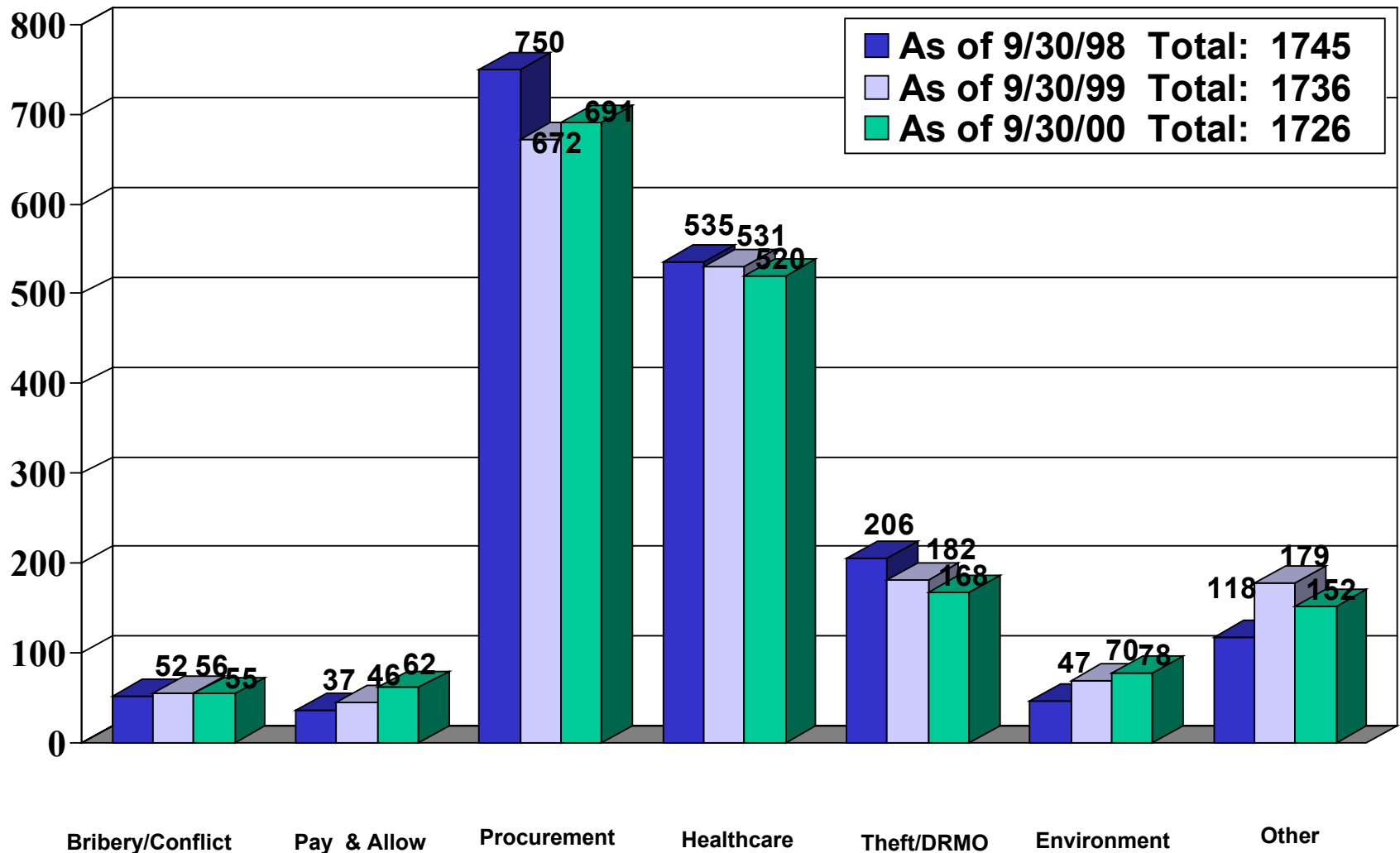
Comparison of OIG/DCIS Budgets To DCIS Recoveries (By Fiscal Year)





AREAS OF INVESTIGATION

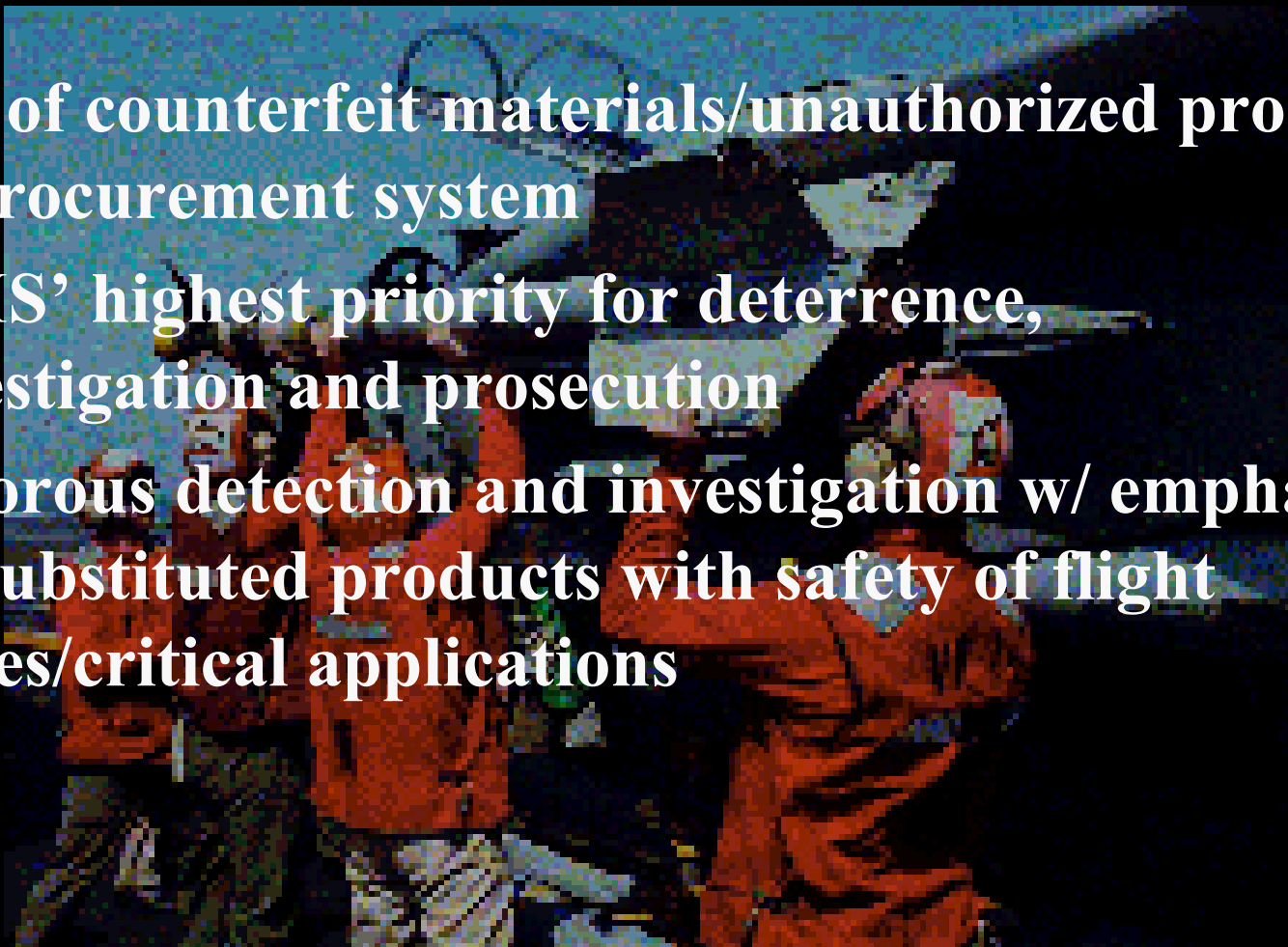
Open DCIS Cases - All Categories by Fiscal Year





Product Substitution

- Use of counterfeit materials/unauthorized product in procurement system
- DCIS' highest priority for deterrence, investigation and prosecution
- Vigorous detection and investigation w/ emphasis on substituted products with safety of flight issues/critical applications





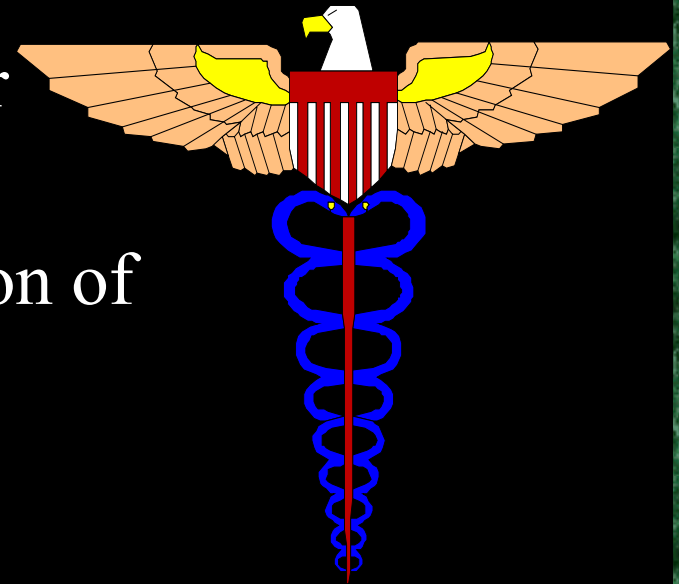
Contract Accounting Frauds

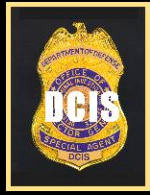
- **COST MISCHARGING**
- **DEFECTIVE PRICING**
- **E-COMMERCE FRAUD CASES**
- **THESE ARE COMPLEX, LONG-TERM, LABOR INTENSIVE INVESTIGATIONS**



Health Care Fraud

- DCIS has and will continue to emphasize the investigation of TRICARE/CHAMPUS provider fraud.
- Primarily involves the submission of false claims by doctors and laboratories
 - FALSE BILLING
 - UPCODING
 - DOUBLE BILLING





Defense Finance & Accounting Service (DFAS)



- ≈ **Activated in January 1991**
- ≈ **DFAS HQ in Arlington, VA, (5) centers located in Cleveland, Ohio; Columbus, Ohio; Denver, Colorado; Indianapolis, Indiana; and Kansas City, Missouri; and (18) Operating Locations (OPLOCS)**
- ≈ **DFAS processes a monthly average of 9.8 million payments to DoD personnel and 1.2 million commercial invoices**
- ≈ **Disburses approximately \$24 billion per month**



PAY & ALLOWANCE FRAUD

- ◆ During the past several years, DCIS has recovered over **\$24 million** as a result of DFAS-related cases:

- ◆ THEFT

- ◆ EMBEZZLEMENT

- ◆ FALSE CLAIMS





Environmental Program

- **DCIS works with many other local, state and federal agencies/entities to combat environmental crimes (TASK FORCES)**
- **Considerable resources allocated to investigate fraud allegations reported by the Defense Energy Supply Center, with particular emphasis in the area of contaminated fuel**
- **Many investigations involving illegal disposal of waste material, and violations of the Clean Water Act**



Computers and Investigations

- ≈ Corps of agents assigned to investigate computer crimes, particularly computer intrusions and child pornography
- ≈ Risks of intrusion
 - Major weapons systems
 - Logistical train
 - Procurement system

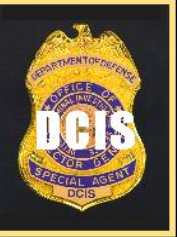




Defense Reutilization & Marketing Service

- **REUTILIZATION/TRANSFER/DONATION fraud**
- **Offenses include:**
 - **Major Theft**
 - **False Statements**
 - **Bribery**
 - **U.S. Customs Violations**
 - **Collusive Bidding**





1208/1033 PROGRAMS

**DCIS AND JOINT
ENFORCEMENT
EFFORTS**

**RELATED TO
PROPERTY AND
EQUIPMENT**





INTENT OF PROGRAM

- **INTENT IS TO PROVIDE EQUIPMENT FOR LEGITIMATE LE PURPOSES**
- **IT IS NOT THE INTENT OF THE PRORAM FOR AGENCIES TO STOCKPILE PARTS/EQUIPMENT.**
- **EQUIPMENT NOT PUT INTO USE WITHIN ONE YEAR OF RECEIPT MUST BE RETURNED.**
- **THE USE OF PROPERTY TO FUND/FINANCE OTHER PROGRAMS IS NOT THE INTENT OF THE PROGRAM**



Possible Fraud Indicators

- ★ **AMOUNT OF PROPERTY
DRAWN SEEMS EXCESSIVE**
- ★ **TYPE OF PROPERTY
DRAWN SEEMS
INCONSISTENT WITH THE
RECIPIENT'S MISSION**





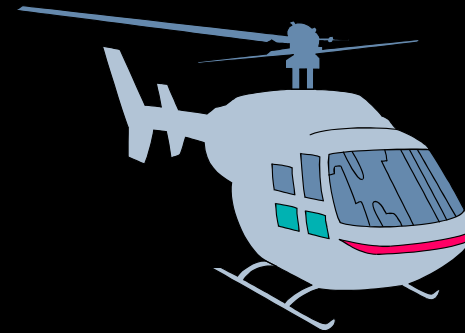
EVALUATING REQUESTS

- **HOW LARGE IS THE AGENCY? (# OF OFFICERS/POPULATION SERVED?)**
- **WHAT TYPES/QUANTITIES OF EQUIP/PROP HAS THE AGENCY PREVIOUSLY RECEIVED?**
- **WHAT IS THE PREDOMINANT LE ACTIVITY?**
- **DOES THE AGENCY TRULY HAVE A NEED FOR THE PROPERTY REQUESTED?**
- **ASK QUESTIONS ABOUT NEED/APPLICATION OF PARTS/ITEMS IF UNSURE**



EVAL. REQUESTS (CONT)

- **WHAT RESOURCES DOES AGENCY HAVE TO MAINTAIN/OPERATE EQUIPMENT?**
- **ANY AGREEMENTS/CONTRACTS WITH OUTSIDE SOURCES?**
- **IS THE PROPOSAL REALISTIC FOR THE AGENCY?**





CRIMINAL CHARGES



- **18 USC 641--THEFT**
- **18 USC 1001--FALSE STATEMENTS**
- **18 USC 1341/1343--MAIL AND WIRE FRAUD**
- **18 USC 371--CONSPIRACY**
- **18 USC 201--BRIBERY**
- **18 USC 1956/1957--MONEY LAUNDERING**



INCREASED FAMILIARITY

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INCREASED REFERRALS

